

MINUTES

December 10, 2003

At 9:05 a.m. Commissioner Wiles called the meeting to order. Commissioners John Wiles, Michael Ortner, Shawn Lyons, Ralph Kemnitz and Karl Fischer were present. Staff members present for the meeting were Michael Shaw, Commission Attorney; Larry Eliason, Executive Secretary; and Craig Sparrow, Director of Enforcement and Operations.

ADMINISTRATIVE HEARINGS

The court reporter for the hearings was Cynthia Weichmann. The following cases were scheduled to be heard:

- Racing Services Inc. - Motion for Continuance
- Devices seized in Lincoln County on August 13, 2003
- Devices seized in Lincoln County on October 8, 2003
- Renee Leboeuf - Revocation of license
- Conni Murphy - Denial of key license
- Mother Lode/Depot - Petition for Declaratory Ruling

Commissioner Ortner moved to continue the hearing for a declaratory ruling to the next scheduled meeting. Commissioner Fischer seconded the motion and it passed unanimously.

Commissioner Ortner moved to continue the hearing concerning devices seized in Lincoln County on August 13, 2003 to the next scheduled meeting. Commissioner Lyons seconded the motion and it passed unanimously.

Commissioner Wiles appointed Commissioner Ortner as the hearing officer in the matter of devices seized in Lincoln County on October 8, 2003. Upon completion of the hearing the disposition of the matter was referred to be discussed in executive session.

Commissioner Wiles appointed Commissioner Kemnitz as the hearing officer in the matter of Renee Leboeuf. Upon completion of the hearing the disposition of the matter was referred to be discussed in executive session.

Commissioner Wiles appointed Commissioner Ortner as the hearing officer in the matter of Conni Murphy. Upon completion of the hearing the disposition of the matter was referred to be discussed in executive session.

Commissioner Wiles appointed Commissioner Kemnitz as the hearing officer in the matter of Mother Lode/Depot. Commissioner Lyons moved to continue the petition for a declaratory ruling to the next scheduled meeting. Commissioner Ortner seconded the motion and it passed unanimously.

RULES HEARING

Upon completion of the administrative hearings two table games were demonstrated, one of which rules have been written and are being submitted for approval. All rule changes addressed on pages 30-69 in the meeting packet were discussed. Commissioner Fischer moved to approve all additions and amendments to the rules. Commissioner Kemnitz seconded the motion and it passed unanimously.

GENERAL MEETING

Upon completion of the rules hearing Commissioner Wiles called the general meeting to order.

September 10, 2003 Minutes of the Meeting

Commissioner Lyons moved to adopt the minutes drafted for the September 10, 2003 meeting. Commissioner Ortner seconded the motion and it passed unanimously.

Parking Lease

Commissioner Lyons moved to approve a lease with the City of Deadwood for 14 parking spaces. Commissioner Fischer seconded the motion and it passed unanimously.

Gaming Impact Study

Commissioner Kemnitz moved to approve a service contract for up to \$35,000 with Cummings Associates to conduct a gaming impact study. Commissioner Ortner seconded the motion and it passed unanimously.

Stipulation of Assurance of Voluntary Compliance

Commissioner Ortner moved to accept the stipulation and assurance of voluntary compliance filed against Jason Schumacher. Commissioner Lyons seconded the motion and it passed unanimously.

Commissioner Kemnitz moved to accept the stipulation and assurance of voluntary compliance filed against Sherry Rogers. Commissioner Fischer seconded the motion and it passed unanimously.

Commissioner Ortner moved to accept the stipulation and assurance of voluntary compliance filed against Black Hills Novelty. Commissioner Kemnitz seconded the motion and it passed unanimously.

Licensing

Commissioner Lyons moved to approve all Key Licenses listed in the meeting packet on page 94. Commissioner Fischer seconded the motion and it passed unanimously.

Commissioner Ortner moved to approve a renewal of Key Licenses listed in the meeting packet on pages 95-100a. Commissioner Kemnitz seconded the motion and it passed unanimously.

Commissioner Fischer moved to approve Associated Persons listed in the meeting packet on page 94. Commissioner Lyons seconded the motion and it passed unanimously.

Commissioner Lyons moved to approve an operator license (0207-OP), route operator license (0023-RO) and three retail licenses (0357, 0358 & 0359-RT) for Major Gaming, Inc. Two of the retail licenses (0357 & 0358-RT) to be assigned to the Depot/Motherlode location. Commissioner Fischer seconded the motion and it passed unanimously.

Commissioner Fischer moved to approve an operator license (0208-OP) and three retail licenses (0363, 0364, & 0365-RT) for Bros. BBC Inc. at unassigned locations. Commissioner Lyons seconded the motion and it passed unanimously.

Commissioner Ortner moved to approve a distributors license (0121-DS) for Universal Gaming Resources LLC. Commissioner Lyons seconded the motion and it passed unanimously.

Commissioner Kemnitz moved to approve a manufacturers license (0119-MA) for Atlantic City Coin and Slot. Commissioner Lyons seconded the motion and it passed unanimously.

Commissioner Lyons moved to approve simulcast provider license for Racing Services, Inc. Commissioner Fischer seconded the motion and it passed unanimously.

Commissioner Ortner moved to approve simulcast provider license for Bettor Racing OTB Inc. Commissioner Kemnitz seconded the motion and it passed unanimously.

Commissioner Fischer moved to approve simulcast sites Time Out Lounge, Aberdeen Racing, Sports Center, and Bettor Racing OTB. Commissioner Lyons seconded the motion and it passed unanimously.

Horse Racing

Commissioner Ortner moved to approve the racing dates and officials for the Verendrye Benevolent and Northeast Area Horse Racing. Commissioner Lyons seconded the motion and it passed unanimously.

Commissioner Lyons moved to approve allocation of \$350,000 to each track. Commissioner Kemnitz seconded the motion and it passed unanimously.

Commissioner Kemnitz moved to approve all professional services contracts listed on page 130 of the meeting packet. Commissioner Ortner seconded the motion and it passed unanimously.

Scheduling of Meetings

Commissioner Ortner moved to schedule the 2004 commission meetings for March 17, June 16, September 14, and December 8, 2004. Commissioner Fischer seconded the motion and it passed unanimously.

Executive Session

Commissioners retired to executive session.

Decisions on Hearings

Commissioner Ortner moved to declare the slot machines taken on October 8, 2003 as contraband and be destroyed. Commissioner Fischer seconded the motion and it passed unanimously.

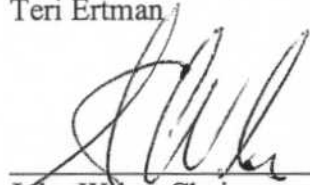
Commissioner Lyons moved to revoke Renee Leboeuf's gaming license. Commissioner Ortner seconded the motion and it passed unanimously.

Commissioner Kemnitz moved to deny Conni Murphy's Key gaming license. Commissioner Ortner seconded the motion and it passed unanimously.

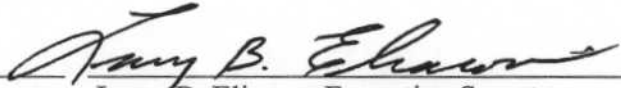
Commissioner Fischer moved for the adjournment of the meeting. Commissioner Ortner seconded the motion and it passed unanimously.

Respectfully Submitted,

Teri Ertman

A handwritten signature in dark ink, appearing to read 'John Wiles', written over a horizontal line.

John Wiles, Chairman

A handwritten signature in dark ink, appearing to read 'Larry B. Eliason', written over a horizontal line.

Larry B. Eliason, Executive Secretary